

**MANAGEMENT RESPONSE TO
REQUEST FOR INSPECTION PANEL REVIEW OF THE
VIET NAM: COASTAL CITIES SUSTAINABLE ENVIRONMENT PROJECT –
SECOND REQUEST (P156143)**

Management has reviewed the Request for Inspection of the Viet Nam: Coastal Cities Sustainable Environment Project – Second Request (P156143), received by the Inspection Panel on August 27, 2023 and registered on September 25, 2023 (RQ23/03). Management has prepared the following response.

November 8, 2023

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ABBREVIATIONS AND ACRONYMS

CCSEP	Coastal Cities Sustainable Environment Project
CPC	City People’s Committee
Ha	hectare
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IPN	Inspection Panel
LURC	Land Use Right Certificate
OP	Operational Policy
PAH	Project-affected Household
PMU	Project Management Unit
PPC	Provincial People’s Committee
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SDR	Special Drawing Rights
US\$	United States Dollar

EXECUTIVE SUMMARY

The Project

- i. The objective of the *Viet Nam Coastal Cities Sustainable Environment Project (CCSEP)* is to increase access to sanitation services and improve the operational performance of sanitation utilities in four coastal cities. In all, it is expected that the CCSEP will directly provide 240,600 people with access to sanitation and reduce the risk of flooding for 44,700 people. The CCSEP supports the expansion of sanitation infrastructure, such as construction of storm water pumping stations and retention lakes, sewerage networks, and a wastewater treatment plant (Component 1). In addition, it supports urban connectivity improvements, such as the construction of various city roads and urban river embankments (Component 2).
- ii. The CCSEP is supported by a US\$156 million IDA Credit and a US\$34 million IBRD Loan to the Socialist Republic of Viet Nam. The Request only relates to implementation in Nha Trang City (Khanh Hoa Province), which is referred to in this document as “the Project.”
- iii. *The Project works affect some 464 households in Nha Trang City whose land had to be acquired.* Those Project-affected households were either financially compensated or were awarded replacement land plots and housing units as appropriate, on a resettlement site (the Ngoc Hiep resettlement site), which the government decided to develop to absorb displaced households affected by this Project as well as other local development projects. The Project required a specific number of land plots on the larger Ngoc Hiep resettlement site. It is, however, the government’s land acquisition for the development of the Ngoc Hiep resettlement site to which the Request for Inspection pertains, and not the resettlement resulting from the Project works.
- iv. The CCSEP became effective on January 18, 2018. Due to significant delays in preparing sites for construction in Nha Trang, two contracts were in turn delayed. These contracts eventually had to be cancelled, and hence the works could not be completed during the Project’s lifetime. The CCSEP was restructured on December 30, 2022 to maximize the Project’s development impact despite the low capacity for implementation, as reflected in the delays and weak contract management. The restructuring adjusted the scale of investments and partially cancelled funds. In Nha Trang, investments under Component 2 were cancelled, which significantly reduced the number of people that needed to be resettled because of the Project works.

The Request

- v. The Request for Inspection was submitted by 31 individuals who live in Ngoc Hiep Ward, Nha Trang City, Khanh Hoa Province in Viet Nam (the “Requesters”). The Requesters are not affected by the works supported by the Project or the resulting

- resettlement. Based on the information provided in the Request, the Requesters are residents of a 5 ha portion of the designated Ngoc Hiep resettlement site, which was not acquired and is not needed for the Project.
- vi. This is the second Request for Inspection concerning the CCSEP, after a first Request (received on December 24, 2022) was not registered by the Panel as it did not meet admissibility criteria. Specifically, “*the Panel was not satisfied that Management had a reasonable opportunity to respond to the allegations raised in the Request. Furthermore, considering the change in the scope of land acquisition and resettlement, which excluded the area where the Requesters live from the Project’s resettlement program, the Panel considers the Requesters are now no longer affected by the Project’s resettlement valuation and compensation process.*”¹
- vii. The Requesters’ complaint includes the following key issues: (i) they contest the compensation rates for the land that were offered or consulted upon when acquisition of the land was planned for the Project; (ii) they seek assurances from the Bank that the government will not acquire their land in the future, irrespective of the purpose; and (iii) they request the removal of legal zoning and construction restrictions to which their land is subject.

Management’s Response

- viii. ***In Management’s view the Requesters are not affected by the Project. Based on the information provided in the Request, they are inhabitants of a 5 ha portion of the Ngoc Hiep resettlement site which was not acquired and is not needed for the Project. However, this area had been designated by the government already in 2005 for urban redevelopment, including land for resettlement purposes – unrelated to and pre-dating the Project. Management understands and acknowledges the situation the Requesters are facing, however, the concerns raised in the Request are grievances that are not related to the Project, and can only be addressed by the relevant government agencies.***
- ix. ***The Ngoc Hiep resettlement site was created by the government to absorb people that are being displaced by local development projects, including Bank-financed and non-Bank-financed projects.*** However, the Ngoc Hiep resettlement site is not financed by the Project or any other Bank-supported project and is not “*a loan project of the World Bank*” as described in the Request. The resettlement site is 13.5 ha, of which the Project is using 6 ha that have already been acquired for it. The remaining area of the resettlement site includes another 2.5 ha of land already acquired but not needed for the Project, and 5 ha that were not acquired and are not needed for the Project.

¹ See paragraphs 3 and 16 of the Inspection Panel’s Notice of Non-Registration (IPN REQUEST 22/08), dated February 23, 2023.

- x. ***Delays in implementation led to a restructuring of the CCSEP in 2022, which reduced the Project’s footprint, resulting in a significant decrease in the number of Project-affected households to be resettled – well below the numbers that were initially estimated.*** Prior to the Project restructuring, the acquisition of the 5 ha portion was anticipated to also be needed for the Project. At that time, local authorities held initial discussions with households living in that 5 ha portion about draft compensation packages, to which the Request refers. However, this process of preparing, consulting upon and offering compensation packages was discontinued as a result of the restructuring, with no compensation packages accepted or paid, and no household moved from the 5 ha portion. Management notes the extended delays that occurred in informing the households (including the Requesters) of this development, despite the Bank’s repeated efforts to encourage the Borrower to inform the households in a systematic and timely manner. The delays may explain the erroneous references in the Request about draft compensation packages that have in fact already been revoked.
- xi. ***The Request complains about a resettlement process that the government initiated when it started to plan for, acquire and develop the Ngoc Hiep resettlement site to serve the resettlement needs of different public development projects.*** The development of the area where the Ngoc Hiep resettlement site is located was anticipated at least since the 2005 Master Plan and started before the Project was effective. Although Bank policy applies to the portion of the resettlement site required for relocating Project-affected people, any potential future acquisition of the 5 ha raised in the Request is unrelated to the Bank-financed Project. ***In other words, the Requesters would find themselves in the same situation even if the Bank-supported Project did not exist.***
- xii. ***While the Requesters do not wish to be resettled, as expressed in the Request, some have suggested that as an alternative, they could be resettled as part of the Bank-financed Project so as to benefit from the requirements of Bank policy.*** This, however, is not possible as the households in the 5 ha portion of the Ngoc Hiep resettlement site are outside the scope of the Bank-supported Project, and their relocation is not required for the Project.
- xiii. ***The Request claims that the exclusion of the 5 ha from land acquisition was in response to complaints filed by community members.*** Management notes that restructuring decision was based solely on the delays in Project implementation, as described above, leading to the necessity of changing the Project’s scale through a restructuring. The government’s decision to discontinue the land acquisition process for the Project and the subsequent discontinuation of the compensation process was due to the change in the Project’s scale.
- xiv. ***While none of the Requesters from the 5 ha portion had their land taken, were evicted or have moved, the Request includes anecdotal concerns about the completed land acquisition process for the remaining parts of the site, i.e., the 6 ha and the 2.5 ha. Management notes that none of the Requesters were affected***

by the resettlement process in these other parts of the site. Specifically, these concerns relate to:

- *Compensation packages.* Management has reviewed the compensation packages for the 222 households whose land was acquired in the 6 ha and 2.5 ha portions of the site and confirms that the majority of the compensation packages were consistent with Bank policy requirements, with 17 cases that had to be brought into compliance following the Bank’s review.
 - *Land and properties allegedly forcibly taken.* Seven households located in the 6 ha and 2.5 portions of the resettlement site had rejected the compensation offered and were subject to compulsory land acquisition in March 2021. This was done in accordance with Bank policy and the compensation deposited in escrow accounts. There were no evictions since none of these households had houses on or lived on the acquired land.
 - *Vulnerable household.* One vulnerable household had agricultural land in the acquired 2.5 ha portion. The Bank’s due diligence review completed in June 2023 found that this household was considered vulnerable and entitled to receive additional support, which was authorized for payment, as per the provisions of the Resettlement Action Plan (RAP). Since the household did not collect the payment, it will be deposited into an escrow account.
- xv. The Request also raises concerns about a house demolition on the 5 ha portion in 2014. Since this occurred before the Project’s footprint was defined and its potential resettlement impacts assessed, the incident pre-dates the Project and it is therefore unrelated. It also illustrates that there were pre-existing building restrictions for the area, which pre-date the Project.
- xvi. ***Many of the issues raised in the Request pertain to the period when the government was expected to acquire the 5 ha for purposes of the Project.*** This applies specifically to the past draft valuation of assets, the compensation rates for different types of land, and the eligibility criteria for in-situ resettlement (i.e., households that would be resettled within the site). ***With the discontinued acquisition of the 5 ha, however, none of these issues is relevant any longer, because all the compensation packages were revoked, and the Requesters are no longer subject to the Project’s resettlement valuation and compensation process.***
- xvii. ***The Requesters seek assurances from the Bank that the government will not acquire their land in the future. This is not an assurance the Bank can provide since it has no authority over government plans to acquire land or change land use.*** The Bank cannot opine on future government decisions regarding such land acquisition and land use. The Bank confirmed to the Requesters that the Project would not need to acquire their land. At no point, however, was a “promise” made that the Requesters’ land would not be used by “any other project.” Nor did the Bank promise that building restrictions on their properties would be removed. The Bank would have no basis or authority to make any statements of this nature. While

the 5 ha are no longer required for the Project following its restructuring, Management notes that the plots in question remain on land earmarked by the government's Master Plan for resettlement purposes.

Conclusion

- xviii. ***Management has carefully reviewed the issues raised by the Requesters and does not believe that the harm cited in the Request stems from non-compliance with Bank policy. Management believes that the Bank has complied with its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.***
- xix. ***The Requesters' concerns relate to the possibility of future land acquisition and compensation process that is beyond the Bank-financed Project. The fact that this land had been considered previously for acquisition by the Project does not alter the situation. The government's Master Plan defines land use and zoning restrictions for the Requesters' land, which is outside the Project's purview. The Requesters' situation would not be different in a scenario without the Project, since the 5 ha area had been designated in 2005 by the government for urban redevelopment, including land for resettlement purposes – unrelated to and pre-dating the Project.***

I. INTRODUCTION

1. On September 25, 2023, the Inspection Panel registered a Request for Inspection, IPN Request RQ23/03 (hereafter referred to as “the Request”), concerning the Viet Nam: Coastal Cities Sustainable Environment Project (P156143) financed by the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD) (collectively, “the Bank”).

2. ***Structure of the Text.*** Following the introduction, this document contains the following sections: Section II presents the Request; Section III provides background information on the Project; Section IV discusses issues related to the Request; and Section V contains Management’s Response. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in table format. A timeline with key dates relevant to Management’s response is provided in Annex 2.

II. THE REQUEST

3. The Request for Inspection was submitted by 31 individuals who live in Ngoc Hiep Ward, Nha Trang City, Khanh Hoa Province in Viet Nam (hereafter referred to as the “Requesters”).

4. ***This is the second Request for Inspection, after a first Request (received on December 24, 2022) was not registered by the Panel as it did not meet admissibility criteria.*** Specifically, *“the Panel was not satisfied that Management had a reasonable opportunity to respond to the allegations raised in the Request. Furthermore, considering the change in the scope of land acquisition and resettlement, which excluded the area where the Requesters live from the Project’s resettlement program, the Panel considers the Requesters are now no longer affected by the Project’s resettlement valuation and compensation process.”*¹

5. ***Based on the information provided in the second Request, the Requesters are residents of the 5 hectare (ha) portion of the resettlement site that is not needed or being acquired for the Project.*** Their complaint includes the following key issues: (i) they contest the compensation rates for the land that were offered or consulted upon when acquisition of the land was still planned; (ii) they seek assurances from the Bank that the government will not acquire their land in the future, irrespective of the purpose, and (iii) they request the removal of legal zoning and construction restrictions to which their land is subject.

¹ Paragraphs 3 and 16 of the Inspection Panel’s Notice of Non-Registration, dated February 23, 2023.

III. PROJECT BACKGROUND

6. **The CCSEP.** The objective of the Viet Nam Coastal Cities Sustainable Environment Project (CCSEP) is to increase access to sanitation services and improve the operational performance of sanitation utilities in four coastal cities. In all, it is expected that CCSEP will directly provide 240,600 people with access to sanitation and reduce the risk of flooding for 44,700 people. The CCSEP supports the expansion of sanitation infrastructure, such as the construction of storm water pumping stations and retention lakes, sewerage networks, and a wastewater treatment plant. In addition, it supports urban connectivity improvements, such as the construction of various city roads and urban river embankments.

7. An IDA Credit and an IBRD Loan to the Socialist Republic of Viet Nam to finance the Viet Nam Coastal Cities Sustainable Environment Project (CCSEP) (P156143) were approved by the Board of Executive Directors on May 5, 2017. The CCSEP consists of four sub-projects in Dong Hoi City (Quang Binh Province), Quy Nhon City (Binh Dinh Province), Nha Trang City (Khanh Hoa Province), and Phan Rang–Thap Cham City (Ninh Thuan Province). The Request concerns the sub-project in Nha Trang City. ***For the purposes of this Management Response, the term “Project” refers only to CCSEP activities in Nha Trang City.***

8. The original amounts of the IDA Credit and the IBRD Loan were SDR140.5 million and US\$46 million, respectively, with a closing date of December 31, 2022. On December 30, 2022, the CCSEP was restructured to: (i) extend the Project closing date to June 30, 2024; (ii) partially cancel the IDA Credit and IBRD Loan by SD25.592 million and US\$11.797 million, respectively; and (iii) adjust disbursement categories.

9. **Components.** The CCSEP has four components: Component 1 – Sanitation Infrastructure Expansion (US\$135.19 million); Component 2 – Urban Connectivity Improvement (US\$27.46 million); Component 3 – Compensation and Site Clearance (US\$31.47 million); and Component 4: – Implementation Support and Institutional Reform (US\$8.63 million).

10. **Description of Activities.** *Activities under each component of the CCSEP in Nha Trang include the following:*

- **Component 1 – Sanitation Infrastructure Expansion (US\$35.8 million):** This component finances: (i) construction of tertiary sewers, household connections, and other connections in the central and southern areas of Nha Trang City; (ii) construction of a storm water retention lake and storm water pumping station; (iii) construction of a sewerage network in the northern areas of the city; and (iv) construction a wastewater treatment plant for the northern areas of the city.
- **Component 2 – Urban Connectivity Improvement (US\$13.6 million):** This component finances: (i) river embankment and construction of road along the embankment on the southern side of the Cai River; (ii) construction of City Road

No. 4 along the railway; (iii) river embankment on northern side of the Cai River; and (iv) construction of the Chu Dong Tu road.

- *Component 3 – Compensation and Site Clearance (US\$8.2 million):* This component provides funding for compensation of households affected by investments under Components 1 and 2, and clearance of sites for investments under those same components. The site for resettling Project-affected households (PAHs) in Nha Trang City, however, is the Ngoc Hiep resettlement site, which is being developed by the government for several investment projects in Nha Trang City, of which the Project is one.
- *Component 4 – Implementation Support and Institutional Reform (US\$2.5 million):* This component provides funding to: (i) support the Project Management Unit (PMU) to implement the Project; (ii) improve institutional arrangements for urban sanitation services; and (iii) improve the capacity of the agencies in Nha Trang City to better manage assets and deliver wastewater services.

11. **Implementation Status.** The CCSEP became effective on January 18, 2018. However, due to delays in allocation of budgetary resources from the central government to the cities, implementation did not start until 2019 and was subsequently affected by the Covid-19 pandemic. By October 2022, the physical completion rate in Nha Trang City had reached only approximately 27 percent of its planned scope. For Component 2, only two of three construction contracts had been awarded and the physical completion rate was just about five percent of the planned scope. The CCSEP was restructured on December 30, 2022 to extend the closing date by eighteen months (to June 30, 2024), reduce the scale of investments, partially cancel funds, and revise disbursement categories accordingly. The Project restructuring involved cancellation of two contracts for technical reasons.² Implementation of both contracts was significantly and they could not be completed by the closing date of the Project. The restructuring aimed at maximizing the Project's development impact despite the low capacity for implementation, as reflected in the delays and weak contract management. Since the restructuring, Project implementation has not improved as expected and, as a result, the Bank is actively discussing with local authorities the cancellation of the remaining investments under Component 2. As of September 2023, the status of implementation was as follows:

- *Component 1:* Physical completion rate at 78 percent of the planned scope.
- *Component 2:* Physical completion rate at five percent and all construction activities suspended since December 2022.
- *Component 3:* There are 464 households defined as PAHs under Components 1 and 2 in Nha Trang City. Of these, 118 PAHs have received compensation packages, of which 102 households have handed over their land for the purposes of the Project.

² The resettlement delays referred to in the [Restructuring Paper](#), however, pertain to land acquisition at the Project works site and *not* at the Ngoc Hiep resettlement site.

- *Component 4*: Most of the planned activities have been completed, except the ongoing activities supporting Project implementation, which will continue until Project closure.

13. During preparation, the Project considered using the capacity of different resettlement sites, separately and in combination. Specifically, resettlement sites at **Ngoc Hiep, Dat Lanh** and **Hon Ro** were considered to be used for PAHs affected by Project works. However, Dat Lanh and Hon Ro eventually were rejected by the PAHs and hence were dropped by the Project.

14. **The Project has not financed the acquisition and development of the Ngoc Hiep resettlement site in Nha Trang City.**⁴ The Project has used only a portion of the resettlement site, which was acquired and developed by the government independently. The Master Plan designated the entire area (13.5 ha) to serve as a resettlement site. The government acquired and cleared the portions of the site over time to serve the demands and needs of local development projects: 6 ha in 2018, and 2.5 ha in 2021; a 5 ha portion remains unacquired. Table 1 shows the composition of the resettlement site:

Table 1. Ngoc Hiep Resettlement Site Composition

Portion*	Required and used for the Project	Status
6 ha	Yes	Acquisition completed in 2018
2.5 ha	No	Acquisition completed in 2021
5 ha	No	Not acquired

* The exact sizes of the resettlement site portions are set out below. For easier reading, this report uses the rounded figures (in parentheses): 13.45 ha (13.5 ha) – 6 ha (no change); 4.83 ha (5 ha); 2.62 ha (2.5 ha).

15. **The government allocated the number of resettlement plots in the Ngoc Hiep resettlement site required for the Project to absorb displaced PAHs who were entitled to land-for-land compensation.** The number of resettlement plots required by the Project changed during Project implementation and eventually was limited to the 6 ha portion of the site that had been cleared and developed for that purpose. From the outset, the total number of resettlement plots available on the Ngoc Hiep resettlement site significantly outnumbered those required by the Project, and even more so after the Project's downscaling following its restructuring.⁵

16. The Bank has reviewed all the compensation packages offered to households in the 6 ha and 2.5 ha portions whose land was acquired between 2018 and 2021, and has determined that the majority of the compensation packages complied with Bank policy requirements, while 17 packages had to be brought into compliance based on the Bank's review. No residents had to physically move from the 6 ha and 2.5 ha portions since no houses existed in either portion.

⁴ It should be noted that this is different from the practice applied in the other provinces where the CCSEP is being implemented, and where the CCSEP financed the land acquisition.

⁵ The Ngoc Hiep resettlement site holds ca. 650 plots, while the Project initially required only 400 plots and eventually only 235 plots.

17. **Two separate resettlement activities** occurred in relation to the Project:
- *PAHs. These are households that had to be moved to the Ngoc Hiep site from other locations because of the civil works supported by the Project. These households are covered by the Resettlement Action Plan (RAP).*
 - *Households who were using or owned land in the 6 ha portion needed for the Project, as well as those in the 2.5 ha portion whose land needed to be acquired.⁶ These households are also covered under the RAP.*
18. **Acquisition of the 6 ha and the 2.5 ha portions of land was progressively undertaken between 2016 and 2021.** The Bank undertook a due diligence review of the compensation package provided between February and June 2023 (as part of supervision), which confirmed that the acquisition process and compensation by the government were consistent with Bank policy requirements, while compensation packages for 17 of the 222 households had to be brought into compliance following the Bank’s review.
19. **Early on during implementation, it was expected that the Project might require more than 6 ha for resettlement purposes. This is why the acquisition of the 2.5 ha and the 5 ha portions was considered.** However, following the Project’s restructuring in 2022, which reduced its footprint, the number of PAHs to be resettled to the Ngoc Hiep resettlement site was significantly reduced, from 291 to 215 households. This translated into a 40 percent reduction in the number of required resettlement plots (from an estimated 400 to 235). Based on this change, the Project formally dropped the remaining previously acquired 2.5 ha and the unacquired 5 ha from the resettlement footprint (as reflected in the updated RAP) because these portions were not needed for the Project to achieve its objectives. As a result the government discontinued the land acquisition of the 5 ha portion. The households of that 5 ha portion were able to remain in situ and were unaffected by the Project following this development. The Requesters are located in this 5 ha portion of the resettlement site.

Table 2. Impact of the 2022 Project Restructuring on Resettlement

Pre-restructuring (2016-2022)	Post-restructuring (After January 2023)
Total PAHs: 593	Total PAHs: 464
- Component 1: 64 PAHs	- Component 1: 66 PAHs
- Component 2: 529 PAHs	- Component 2: 398 PAHs
Of which to be resettled: 291	Of which to be resettled: 215
<i>(estimated resettlement plots: 400)</i>	<i>(estimated resettlement plots: 235)*</i>

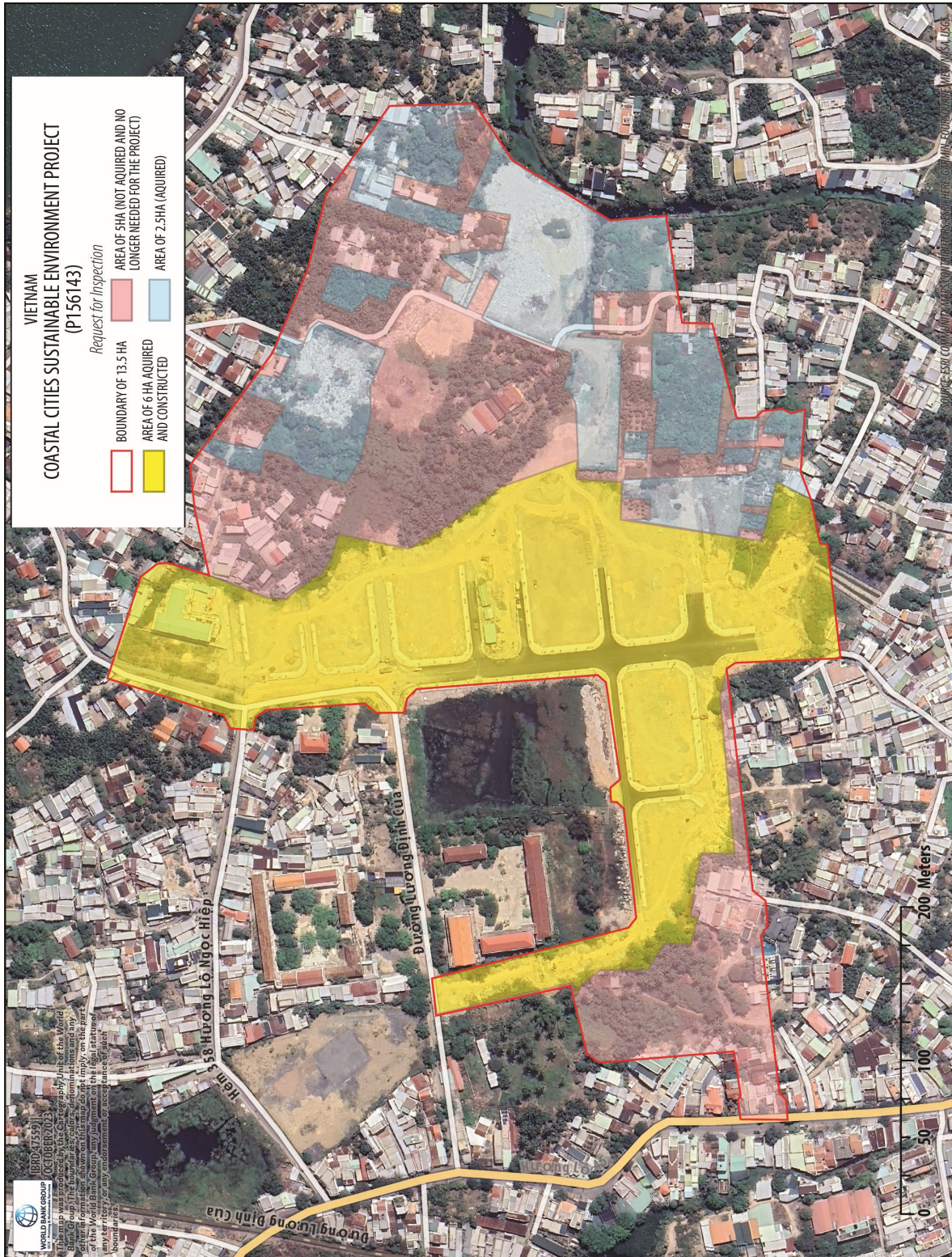
* Some PAHs are entitled to multiple resettlement plots due to family size.

20. **Prior to the restructuring, when the acquisition of the 5 ha portion (and the use of the already acquired 2.5 ha portion) was still thought to be necessary for the Project, initial discussions were held with households living in that portion about draft compensation packages, to which the Request refers.** For households in the 5 ha portion, twenty-eight compensation packages were offered on August 21, 2018, but none was

⁶ The 2.5 ha portion was acquired for the purpose of the Project but was not needed for the Project following the restructuring.

accepted by the households. The local authorities continued discussing the compensation packages offered, but the Covid-19 shutdown slowed down all aspects of the implementation process.

21. The delays in two contracts that were eventually cancelled resulted in the restructuring. The restructuring then led to a reduction in the area of land required and the subsequent discontinuation of the proposed acquisition of the 5 ha portion, following which all draft compensation packages were revoked. No compensation packages were accepted or paid, and no household was moved. Management notes the significant delays in informing the 5 ha households (including the Requesters) of this development. Despite the Bank's repeated efforts to encourage the Borrower to inform the households in a timely manner, they were only advised of this development on February 17, 2023. The revocation of the compensation packages was formally confirmed by the authorities at the end of August 2023.



Map 1. IBRD 47559 – Aerial View of Ngoc Hiep Resettlement Site (showing the 6 ha acquired and used by the Project [yellow], the acquired 2.5 ha [blue], and the unacquired 5 ha [pink] portions)



Photo 1. Aerial View of Ngoc Hiep Resettlement Site before development (2015)



Photo 2. Aerial View of Ngoc Hiep Resettlement Site in March 2023

V. MANAGEMENT'S RESPONSE

22. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

23. ***In Management's view, the Requesters are not affected by the Project. Based on the information provided in the Request, they are inhabitants of the 5 ha portion of the Ngoc Hiep resettlement site which was not acquired for the Project.⁷ Management understands and acknowledges the situation the Requesters are facing, however, the concerns raised in the Request are grievances that are not related to the Project, and can only be addressed by the relevant government agencies.***

24. There are 165 households that use or own land in the 5 ha portion, of which 89 have houses there. Their complaint essentially is three-fold: the Requesters (i) contest the compensation rates for the land that were offered or consulted upon when acquisition of the land was still being discussed; (ii) seek assurances from the Bank that the government will not acquire their land in the future, irrespective of the purpose; and (iii) request the removal of legal zoning and construction restrictions to which their land is subject.

25. ***The Requesters complain about a resettlement process that the government initiated when it designated the Ngoc Hiep resettlement site to serve the resettlement needs of different public development projects and started to develop it.*** The area where the Ngoc Hiep resettlement site is located was designated for urban redevelopment already in the Master Plan, well before the Project started. Any potential future acquisition of the 5 ha raised in the Request is unrelated to the Bank-financed Project. ***In other words, the Requesters would find themselves in the same situation even if the Bank-supported Project did not exist, and therefore have not suffered any material adverse effect as a result of the Project.⁸***

26. ***As expressed in the Request, the Requesters do not wish to be resettled. However, some of them have suggested that as an alternative, they could be resettled as part of the Bank-financed Project so as to benefit from the requirements of Bank policy.⁹*** This, however, is not possible. The households in the 5 ha portion of the Ngoc Hiep resettlement site are outside the scope of the Bank-supported Project, and the acquisition of their land is not required for the Project to achieve its objective. Bank Policy does not provide for the acquisition of land that is not required for a project.

27. ***The Requesters also seek assurances from the Bank that the government will not acquire their land in the future. This is an assurance the Bank cannot provide since it***

⁷ The Requesters have been confirmed to reside or own land exclusively in the 5 ha portion, based on the resettlement baseline that was developed earlier.

⁸ See paragraph 39 of the 2020 Inspection Panel Resolution which states: "For assessing material adverse effect, the without-project situation should be used as the base case for comparison, taking into account what baseline information may be available. Non-accomplishments and unfulfilled expectations that do not generate a material deterioration compared to the without-project situation will not be considered as a material adverse effect for this purpose. [...]" (Paragraph 39, Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, The World Bank Inspection Panel, September 8, 2020.)

⁹ This was expressed in several communications that Requesters sent to the Bank team.

has no authority over government plans to acquire land or change land use beyond the context of a Bank-financed project. Management also notes that the Requesters continue to live on or have land in an area that has been designated by the Master Plan to serve as a government resettlement site. It is therefore possible that they may be resettled at some point in time, but this will not be because of the Bank-financed Project. Even in the absence of the Project, the Master Plan indicates that the resettlement site would have been used for the resettlement needs of other government projects.

28. ***Management notes that the Requesters may be affected by future government activities on the 5 ha portion of the Ngoc Hiep resettlement site.*** Such activities, however, are distinct from the Bank-financed Project and not required for it. The Requesters' concerns result from the fact that they have an interest in or reside on land that the government's Master Plan identifies to serve as a resettlement site, portions of which have since been successively acquired and developed by the government for that purpose. ***The Request claims that the Ngoc Hiep resettlement site "is a loan project of the World Bank." This, however, is not correct as the Ngoc Hiep resettlement site is not financed by the Project or any other Bank-supported project.*** The Project Appraisal Document clearly explains that CCSEP is supporting the acquisition and development of resettlement sites *in other Project locations*.¹⁰ However, this is not the case for Khanh Hoa Province, where the Project used a portion of a resettlement site that the government had already identified, planned for, and started to develop. Bank policy applies to the portion of the site used for Project resettlement. The remainder of the site is unrelated to the Project and hence Bank policy does not apply.

29. ***The Ngoc Hiep resettlement site was created to absorb people that are being displaced by local development projects. The Project is using about half (6 ha) of the 13.5 ha site for the PAHs displaced by Project works. The site is also absorbing affected households from other (non-Bank-supported) projects, such as a provincial dam project.*** The remaining 2.5 ha that have already been acquired, as well as the unacquired 5 ha, may be used in line with the Master Plan for the resettlement of people unrelated to the Project.

30. ***Thus, the concerns raised in the Request are grievances unrelated to the Project and should be directed to the relevant government agencies.*** Specifically, these concerns pertain to: (i) the legal classification of the Requesters' land; (ii) the restrictions on construction and rental activities; and (iii) the possible future land acquisition by the government and the applicable terms.

31. ***The Request also raises anecdotal concerns about the completed land acquisition process for the 6 ha (used for the Project) and the 2.5 ha portions, although none of the Requesters are affected by the resettlement process in these other parts of the site.*** Management has reviewed the compensation packages for the households whose land was acquired in the 6 ha and 2.5 ha portions of the site (222 in total) and confirms that the majority of the compensation packages were consistent with Bank policy requirements, while 17 of the 222 households had to be brought into compliance following the Bank's

¹⁰ i.e., Dong Hoi City (Quang Binh Province), Quy Nhon City (Binh Dinh Province), and Phan Rang–Thap Cham City (Ninh Thuan Province).

review. Management would be pleased to respond to concerns from these households or their authorized representatives to provide clarifications if desired. The Request for Inspection, however, does not indicate that the Requesters are mandated to represent the households that owned or used land on the 6 ha and 2.5 ha portions of the site which were acquired in 2018/2021.

32. ***Moreover, the Request raises concerns about a house demolition that occurred on the 5 ha portion in 2014, well before the Project started.*** The demolition appears to have been related to a violation of building restrictions on agricultural land. Such restrictions pre-dated the Project and were not imposed in connection with the Project.

33. Management responds below to specific issues in more detail.

34. ***Land classification and land use rights.*** The Project has not introduced any changes to the land use rights or land classification of the Requesters' land. Vietnamese laws and government decisions related to master plans and land acquisition introduce different restrictions in connection with the use of land. In this case, the Master Plan, and the government's decision to issue the land acquisition notice for the Ngoc Hiep resettlement site, introduced restrictions on the Requesters' ability to "*apply for land certificates, build structures, repair, or rent their current dwellings.*"¹¹ These decisions (Master Plan and land acquisition notice) remain valid and in effect regardless of the Project. Currently, most households on the 5 ha portion do not possess a valid *Land Use Right Certificate (LURC)* which also is required for some of the above-cited activities (e.g., construction, rental, transfer). The Project has neither supported the development of the resettlement site, nor has it put in place or supported the implementation of any of the said restrictions. Management notes that the Request itself identifies the agricultural classification of the land as the reason for the restrictions, rather than the Project.

35. ***Management understands that plots of land on the resettlement site were converted from agricultural to residential use without formal approval by the competent authorities.*** The conditions for legalizing such conversion include compliance with the approved Master Plan. According to the Master Plan covering the Ngoc Hiep resettlement site, the existing land use in many cases is not in compliance with the purposes defined therein, which possibly has prevented the conversions. Management notes the original agricultural character of the area as shown in Photo 1 above.

36. ***Possible future land acquisition by the government.*** While the 5 ha are no longer required for Project following its restructuring, Management notes that the plots in question remain on land earmarked by the Master Plan for resettlement purposes. The Bank cannot opine on future government decisions regarding such land acquisition and land use. The Bank confirmed to the Requesters that the Bank-supported Project would not need to acquire the land. At no point, however, was a "promise" made that the Requesters' land would not be used by "*any other project.*" Nor did the Bank promise that zoning or

¹¹ Vietnamese law allows for repairs with the approval of the competent authorities.

building restrictions on their properties would be removed. The Bank would have no basis or authority to make any statements of this nature.

37. ***Valuation methodology and compensation packages.*** With the decision not to acquire the 5 ha for the Project, all compensation and support packages that had been consulted upon and/or offered were revoked. It is possible that the Request refers to these initial discussions about draft compensation packages that took place at the time the acquisition of the 5 ha portion was still being considered by the Project, that is, prior to the Project restructuring. For households on the 5 ha portion, twenty-eight compensation packages were offered, but none was accepted or paid, and no household had moved at the time the compensations packages were revoked. Management notes the significant delays in informing the 5 ha households (including the Requesters) of this development: they were only advised of this on February 17, 2023, and the packages were formally revoked by the authorities at the end of August 2023.

38. ***Land and properties allegedly forcibly taken.*** Management notes that none of the Requesters from the 5 ha portion had their land taken, were evicted or have moved. In the 6 ha and 2.5 ha portions of the resettlement site, seven households (5 households in the former and 2 households in the latter) had rejected the compensation offered and were subject to compulsory land acquisition in March 2021. The Bank confirmed this was done in accordance with OP 4.12, including the application of adequate advance notice and opportunity to lodge complaints. Since no one lived on the acquired land, no evictions took place. The Bank reviewed the compensation packages in question and confirmed that they complied with Bank policy requirements.

39. ***“Exclusion” from the resettlement process.*** The 5 ha was not excluded from land acquisition in response to complaints filed by community members. The restructuring decision was based on the delayed implementation, as described above in paragraph 11. The change in Project scale justified the discontinuation of the acquisition of the 5 ha portion for the Project.

40. ***Vulnerable household.*** The Requesters mention a vulnerable household from the 2.5 ha portion, whose land was acquired in 2021. The RAP specifies that vulnerable persons are entitled to a special financial allowance. The Bank’s due diligence review, completed in June 2023, found that this household indeed is considered vulnerable and hence entitled to receive additional support, which the provincial authorities authorized for payment. Since the household did not collect the payment, it will be deposited into an escrow account. This affected household, however, is not part of the Request for Inspection.

41. ***Eligibility for on-site resettlement.*** The RAP included a land-for-land compensation option. Given the limited availability of land, the RAP introduced selection criteria for that option, in particular the need for housing and shelter of those being relocated, and specifically whether they owned another house somewhere else in Ngoc Hiep commune. The remainder of the households were entitled to cash compensation only. However, with the discontinued acquisition of the 5 ha portion, the compensation packages including this option are no longer available in any case.

42. ***Engagement with communities regarding the use of the 5 ha portion following Project restructuring.*** Starting in February 2023, the government conducted several activities to inform the households on the 5 ha portion that their land would no longer be used for the purposes of the Project following the restructuring. This included consultations with the households, disclosure of relevant documents, and mass media communications. The Bank has monitored these activities and encouraged the government to ensure that the households are provided with accurate information in a systematic and timely manner. Despite this, Management notes that there have been significant delays with regard to the internal government processes to finalize the required decisions related to the discontinuation of the land acquisition for the 5 ha, as well as formally informing the affected community. Since February 2023 Management has repeatedly urged the government in writing to swiftly inform the concerned households of the changes introduced by the Project's restructuring. The Bank has also communicated directly with households from the 5 ha who approached the Bank regarding the impacts of the Project restructuring and informed them that the land acquisition process under the Project was discontinued for the 5 ha.

43. ***Ongoing construction works on the Ngoc Hiep resettlement site.*** Construction of the 6 ha portion of the Ngoc Hiep resettlement site is nearly complete. The 6 ha portion is at a higher elevation than the surrounding environment, which had been identified as at risk for stormwater drainage issues in the other areas of the resettlement site during the rainy season. To prevent this, the provincial authorities are putting in place appropriate measures for slope stabilization and improvements in the drainage around the 6 ha portion by directing stormwater runoff towards the river. The Bank team is continuing to coordinate with the provincial authorities to ensure that any potential impacts on the 5 ha portion are appropriately mitigated and managed, and is monitoring these efforts.

Conclusion

44. ***Management has carefully reviewed the issues raised in the Request and does not believe that the harm cited in the Request stems from non-compliance with Bank policy. Management believes that the Bank has complied with its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.***

45. ***The Requesters' concerns relate to the possibility of future land acquisition and related compensation process that is beyond the remit of the Bank-financed Project. The fact that this land had been considered previously for acquisition by the Project does not alter the situation. The government's Master Plan defines land use and zoning restrictions for the Requesters' land, which is outside the Project's purview. The Requesters' situation would not be different in a scenario without the Project.***

ANNEX 1: CLAIMS AND RESPONSES

No.	Claim	Response
1.	<p>The World Bank project is causing us harm. We are the households that are directly affected by “Ngoc Hiep Resettlement Area Infrastructure Construction Project”, which is part of component 3 of the project “Sustainable environment in coastal cities” for short. CCSEP. Our situation was extremely difficult, managed, borrowed money from many places to build a house to cover the sun and rain. It is known that Ngoc Hiep resettlement area project is a loan project of the World Bank.</p>	<p><i>In Management’s view, the Requesters are not affected by the Bank-funded Project. Instead, the Requesters are affected by government activities on the Ngoc Hiep resettlement site that are distinct from the Bank-funded Project, and not required for it.</i></p> <p>The Project in Nha Trang City is financed by Bank funds under decision of the Khanh Hoa PPC, No.3348A/QD-UBND, dated October 31, 2016.</p> <p>The Ngoc Hiep resettlement site was developed, funded and is managed by the city/province, independently of the Project, based on the Master Plan. The objective of the government was to develop a resettlement site to receive people displaced by local development projects.</p> <p>The statement that the Ngoc Hiep resettlement site “is a loan project of the World Bank” is incorrect. The Project did not finance acquisition of a resettlement site in Nha Trang. Rather, the government allocated a 6 ha portion of the resettlement site to the Project for its resettlement needs. Project Component 3 provides support for compensation for:</p> <ul style="list-style-type: none"> • Land permanently or temporarily acquired for construction under Components 1 and 2; and • Property permanently or temporarily affected during construction activities under Components 1 and 2. <p>The Ngoc Hiep resettlement site has a total area of 13.5 ha with 648 plots to absorb displaced households from various development projects, of which the Project is only one. Of the 13.5 ha, a 6 ha portion and a 2.5 ha portion were acquired for use by the Project, but following the restructuring, only the 6 ha portion is needed. The Project’s Resettlement Policy Framework (RPF) and RAP apply to the households in the 6 ha and 2.5 ha portions.</p> <p>The remaining 5 ha was not and will not be acquired or used for the Project. The Requesters live or have land in this 5 ha portion.</p>
2.	<p>The policy of the project is for social security purposes, creating favorable conditions for households affected by the project to stabilize their lives and have better or at least equal living conditions than before. Affected by the project. We very much agree with the above policy, so we have cooperated in the inventory of assets, supporting</p>	<p><i>The Requesters inhabit or have land in the 5 ha portion of the Ngoc Hiep resettlement site, which was earlier considered for purposes of the Project but was not needed after restructuring.</i> The acquisition of this 5 ha portion was discontinued by the government, and the in-situ resettlement option became moot.</p>

No.	Claim	Response
	<p>the project to be completed soon. We have a house, land and are living in the place where the land is acquired before the cut-off date is the date of issuance of the notice of land acquisition 1/9/2016. We consider that we are eligible for on-site resettlement according to regulations, but the Project Management Board gave various reasons for us not to be granted resettlement land.</p> <p>There are a number of households that have been eligible for resettlement grant, the list has been publicly posted and the lottery has been held to select the land plot, but now under the new plan, they are not allowed to resettle.</p>	<p>The Request refers to the process of establishing eligibility for in-situ resettlement of households, which was initiated but eventually revoked with the discontinuation of the acquisition.</p> <p>The lottery (plot allocation process) that the Request refers to was conducted by local authorities on January 5, 2018, to allocate in-situ resettlement plots to eligible households in the 5 ha. <i>However, since all compensation packages for the 5 ha of Ngoc Hiep resettlement site were revoked, the lottery results are no longer valid or relevant.</i></p>
3.	<p>The project had a decision on land acquisition and a decision approving the compensation, support and resettlement plan in 2016 but the project management board based it on Decision No. 10/2021/QD-UBND dated August 26, 2021 of Khanh Hoa Provincial ‘People’s Committee to make compensation, support and resettlement plans is unreasonable. Conditions for land allocation for resettlement comply with Decision No. 10/2021/QD-UBND dated August 26, 2021 of Khanh Hoa Provincial ‘People’s Committee, so what Decision does the price of resettlement land follow?</p> <p>The price of resettlement land for Ineligible cases is calculated by a coefficient of 1.05 or 1.5 compared to the price of eligible resettlement land?</p>	<p><i>When the 5 ha were still being considered for use by the Project, the Bank reviewed the draft compensation packages. This review indicated that some packages were using coefficients¹ for land plots in the Ngoc Hiep resettlement site that were not compliant with the RAP and needed correction.</i></p> <p><i>However, since all compensation packages for the 5 ha were formally revoked in August 2023, this issue is no longer relevant to the Project.</i></p> <p>For the portion of the Ngoc Hiep resettlement site required by the Project, land acquisition and compensation are regulated in the RAP and through administrative rules of the province that instrumentalize RAP implementation. Specifically: Decision 132/QD-UBND dated January 13, 2017, amended by Decision 565/QD-UBND dated February 23, 2022 and by Decision 379/QD-UBND dated February 17, 2023. These Decisions provide for the application of the RAP and the local requirements specified in Decision 29/2014/QS-UBND (and later Decision 10/2021/QD-UBND), among others.</p> <p>The Bank’s due diligence review between February and June 2023 determined that the compensation packages were using coefficients for land plots in the Ngoc Hiep resettlement site that were not compliant with the RAP, which requires that the principle of replacement costs be followed instead. A new Decision changing the</p>

¹ The province applies a coefficient for those who are not entitled to land-for-land compensation in order to obtain a land plot in a resettlement site – effectively increasing the purchase price of the land plot. Notwithstanding this local regulation, the RAP requires replacement cost for all acquired land and structures.

No.	Claim	Response
		<p>coefficients in line with the RAP was approved by the government in August 2023.</p> <p><i>Since all compensation packages in the 5 ha of Ngoc Hiep resettlement site were revoked, this new decision has no relevance for those households.</i></p>
4.	<p>The current status of our land is residential land, land for perennial crops, but the Project Management Board based on the origin of land from before 1994, which is field land and annual crop land, to apply a compensation price of 400,000 VND to 600,000 VND/m² is too unreasonable. With this compensation price, the households who lost their land cannot afford to buy land at the current market price.</p>	<p><i>Management notes that there seems to be a discrepancy between the officially recorded land use type and the one that residents assumed would be applied.</i> Residents appeared to believe that past construction on agricultural land would convert the land status to residential land, which is not the case. Rather the construction activity was possibly illegal, and absent any approved conversion of the land status, the land remains classified as agricultural.</p> <p><i>However, since the 5 ha are no longer needed, this issue is no longer relevant for the Project. Rather, this is an issue that the affected households would need to take up with the government.</i></p>
5.	<p>Most of the households whose land was acquired did not agree with this compensation price, did not voluntarily allocate land, some households were forced to acquire land. Households eligible for resettlement grant do not have enough money to buy resettlement rates, even less money to build houses to stabilize their lives.</p>	<p><i>When acquisition by eminent domain is applied, the households' consent is not required per Bank policy. Management has reviewed the Project compensation packages and confirmed that they now reflect replacement value for the acquired land, plus additional livelihood support for those losing agricultural land which they cultivated, in accordance with the RAP.</i></p> <p>No land acquisition has been or will be carried out for the 5 ha portion of the Ngoc Hiep resettlement site for the Project and none of the households there have been subject to evictions.</p> <p>Most households on the 6 ha and 2.5 ha portions (215 out of 222, 96.8 percent) did accept the offered compensation packages. Only the agricultural land of seven households was compulsorily acquired in March 2021, following due process under both national law and the RAP. The Bank confirmed that this was done by providing advance notice, and allowing opportunity to lodge grievances. Since no one lived on the land, no evictions took place. For those seven cases, the compensation amount was deposited in an escrow account, in compliance with Bank policy.</p>
6.	<p>The project has only one, but sometimes the policy of applying the resettlement policy framework of the “sustainable environmental project in coastal</p>	<p><i>Land acquisition and resettlement for the Project is governed by Bank policy as enshrined in the RPF and RAP. As per normal practice, however, land acquisition</i></p>

No.	Claim	Response
	<p>cities” signed with the World Bank, sometimes according to Decision No. No. 29/2014/QD-UBND dated December 21, 2014, sometimes applying the Decision No. 10/2021/QD-UBND dated August 26, 2021 of the People’s Committee of Khanh Hoa province to make a compensation plan. Does project management still apply Decisions?</p>	<p><i>also requires administrative decisions by the competent national agencies. Hence there is no discrepancy between the Project’s RPF/RAP and the related government decisions that create the domestic legal basis for implementation.</i></p> <p>The Request is referring to decisions that govern land acquisition in the province: Decision 29/2014/QD-UBND, later replaced by Decision 10/2021/QD-UBND.</p> <p>However, the Project’s RAP and RPF only apply to the two portions (6 ha and 2.5 ha) portions of the Ngoc Hiep resettlement site that were acquired for the Project (although the 2.5 ha was not used).</p> <p>Since the land acquisition for the 5 ha is not required for the Project after the Project restructuring, the RPF/RAP does not apply and the RAP was revised accordingly.</p>
7.	<p>Ngoc Hiep Resettlement Project recovers houses and land that are not part of the resettlement land fund of households who are producing and living stably for decades in the locality, expelling us from the locality to make a land fund. Provision for resettlement for households affected by other projects is extremely unreasonable.</p> <p>However, after reviewing the Compensation, Support and Resettlement Plan of the project publicly listed at the People’s Committee of Ngoc Hiep Ward and the Development Project Management Board of Khanh Hoa Province, we completely disagree with the compensation package and unfair treatment with this method.</p>	<p><i>The Project is not involved in any way in creating a “land fund” or anything similar. The Project is using a portion of the Ngoc Hiep resettlement site to accommodate PAHs displaced by the Project works, the number of which has changed over time.</i></p> <p><i>It is correct that the government’s Master Plan has designated the area to serve as a resettlement site to be used by development projects, as per demand, which may develop over time.</i></p>
8.	<p>We complained to the World Bank and the Inspection Panel about the above irregularities in the Project. After our complaint about unfair compensations in the resettlement policies, in February 2023, the World Bank project excluded our houses from resettlement and promised us that we will get a written note that our land and houses will not be used by the Bank or any other project. After engaging since 2016, the Project excluded our land from the project. Until today, now we have not received the assurance that our lands will be safe and not used for the Project.</p>	<p><i>The 5 ha was not excluded from land acquisition in response to complaints filed by community members. The decision to restructure was based on the significant delays in implementation. The change in Project scale justified the discontinuation of the acquisition of the 5 ha portion for the Project.</i></p> <p><i>The draft compensation packages were revoked. The households in the 5 ha portion were informed of this through a number of public disclosures and consultations. Management recognizes that there have been delays by the Borrower in doing so despite the Bank’s repeated efforts to encourage the Borrower to inform the households in a systematic and timely manner. Communications have been as follows:</i></p>

No.	Claim	Response
		<ul style="list-style-type: none"> • February 23, 2023: Community meeting chaired by the Nha Trang CPC and the provincial authorities with most of the households in the 5 ha portion of Ngoc Hiep resettlement site. Bank staff joined as observers. • March 23, 2023: Community meeting chaired by the Chairman of Khanh Hoa PPC with most of the households in the 5 ha portion of the Ngoc Hiep resettlement site. Bank staff joined as observers. • August 29, 2023: The provincial authorities sent the notice of the Nha Trang CPC on revoking compensation packages offered to 28 households on the 5 ha portion by post. • August 30, 2023: The provincial authorities disclosed the decisions of Nha Trang CPC on amending the timeline of land acquisition for Ngoc Hiep resettlement site and revoking all draft compensation packages for the 5 ha portion at the PMU’s office and on its website. • September 6, 2023: The provincial authorities organized public disclosure of the decisions at Ngoc Hiep Ward People’s Committee’s office, and at the offices of residential groups No.4, No.5, No.6 in Ngoc Hoi, and residential groups No.7, No.8, No.9 in Lu Cam (the residential areas in Ngoc Hiep). • September 8, 2023: The decisions were announced in Khanh Hoa province’s online newspaper. • September 9, 2023: The central government’s newspaper (Lao Dong newspaper) posted the news. • September 15, 2023: The provincial authorities and the local authority held a consultation meeting chaired by the Nha Trang CPC Chairman with the participation of 102 households of the 5 ha portion of Ngoc Hiep resettlement site. <p>The Bank did not promise that land and houses would not be used by “any other project.” This is outside of the Bank’s control.</p> <p>The government, as noted above, issued several Decisions and Notices to reflect the reduced need for resettlement due to the restructuring in 2022. The government considers the process to be complete. See also Item 18 for additional information on the government’s procedures and communications.</p>

No.	Claim	Response
9.	<p>In the report of notice of Non-Registration of The inspection panel, it showed that Khanh Hoa provincial will not acquire our land under the World Bank Project, and we will no longer “considered as project affected household”. It means our land will not be acquired for any reasons, for any project in the future. And World Bank also had the confirmed in writing of Khanh Hoa provincial about this matter.</p>	<p><i>The households in the 5 ha portion are no longer considered PAHs under the Project. The Bank never communicated to households that their land would not be acquired ‘for any project in the future.’ How the government decides to use this land in the future is completely beyond the Bank’s control.</i></p> <p>As per Operational Policy 4.12, paragraph 3, PAHs are households affected by “direct economic and social impacts that both result from a Bank-assisted investment and are caused by the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, or loss of income sources or means of livelihoods.” As per this definition, the households in the 5 ha portion of the Ngoc Hiep resettlement site are no longer considered affected by the Project.</p> <p>This change is unrelated to any potential use of the land in the future. The Bank has no authority over government decisions or plans related to future use of the land in question. The Bank never communicated that such land would not be acquired for any project in the future, as this is beyond the Bank’s control.</p>
10.	<p>But actually, at the meeting with Project manager unit, they only mention that “STOP site clearance” our land and cancel the compensated counting sheet that they issued before, not mention about cancel the Decision of land acquisition for Ngoc Hiep project. And at the meeting with Khanh Hoa manager on 24 March, the manager didn’t make sure that our land will not be acquired. We don’t know what will be going on with our land.</p> <p>The Ngoc Hiep project has been started from 2016 and it’s still affected to us up to now.</p>	<p><i>The Ngoc Hiep resettlement site is a resettlement site of the government that pre-dates the Bank-funded project and is for broad resettlement needs of the city. Following the restructuring of the Project in December 2022, it no longer needs the 5 ha portion. Accordingly, Nha Trang authorities discontinued the land acquisition process for the 5 ha portion. The Bank has no authority over the government’s decisions on the use of land not required for a Bank-funded project.</i></p>
11.	<p>During the time for project, We could not do anything with our land. We could not apply for land certificate, could not repair or build house, could not sell or for rent....</p>	<p><i>Vietnamese laws and government decisions related to master plans and land acquisition introduce different restrictions in connection with the use of land. Additional restrictions apply by law for households who do not have LURCs.</i></p> <p>With respect to the Ngoc Hiep resettlement site, urban redevelopment of this area was anticipated in the Master Plan. Until land acquisition for such development is completed, all households residing in this area are allowed to continue staying where they are. However, they are: (a) ineligible for a conversion of land use</p>

No.	Claim	Response
		<p>purpose;² (b) prohibited from building new construction;³ (c) prohibited from planting perennial crops; and (d) prohibited from repairing existing structures (unless authorities issue a permit).</p> <p>In addition, following the land acquisition notice for the Ngoc Hiep resettlement site issued by the Nha Trang CPC on September 1, 2016, these households are generally ineligible to obtain LURCs.</p> <p>Vietnamese law allows for the transfer or rental of land only by land users who have a LURC. Management understands that most households residing in the area of the Ngoc Hiep resettlement site do not have a valid LURC, and this can constitute a separate limitation in selling or renting land.</p> <p>Accordingly, while Management acknowledges the existence of certain restrictions (the full extent of which also depends on the type of LURC that each household has), their basis in Vietnamese law is found in the government decisions to adopt a Master Plan for the Ngoc Hiep residential area and then the Ngoc Hiep resettlement site, and to proceed with land acquisition for this purpose.</p>
12.	<p>On 25 of March. We also have included two letters of affected people and consider as part of the group of complainants. Their living conditions are very difficult. They are single mom like me and they have no house, there no stable job. They only have a small land is the biggest of their property. Beside two persons, there are a lot of affected people who have the same situation. We will have no house to live in if our land will be acquired for Ngoc Hiep resettlement because the compensate package did not comply The World Bank's policy framework.</p>	<p>See Items 13 and 14, below.</p>
13.	<p>On September 10, 2014 one community member built a house for her mother and daughter to have a place to live, just built it, on October 3, 2014, the Ward People's Committee decided to dismantle their house and tear it down. The wall fell down, I begged and begged but was still forced, her mother and herself had to stay here and there. Until 2016, the Ward People's Committee and the Project Board announced that this area was planned to be</p>	<p><i>The alleged demolition of the house took place in 2014, before the Bank-funded Project footprint was defined and its potential resettlement impacts assessed. The house in question was located in the 5 ha portion, so it is not in a portion of the site used by the Project and in any case the incident pre-dates the Project. The Bank is unable to assist the community member with this request since it falls outside the Bank's authority.</i></p>

² Lack of a LURC is also a reason that a land user would be ineligible for conversion of land use purpose.

³ If the LURCs were for agricultural land, construction of houses is prohibited.

No.	Claim	Response
	<p>the Ngoc Hiep resettlement area and offered a compensation price of 54 million. But they didn't accept it because the money was too little for the land when [they] bought it and the house was demolished. They have applied for consideration of the City People's Committee and the Provincial People's Committee according to her wish to grant her 1 resettlement lot, but the departments answered the application that she is not eligible to receive resettlement and until now, she have not received the compensation yet. Now she is asking the World Bank to help, because their land is within 5 hectares and is irrevocable, they hope that their land will be returned to them and allow them to build a house and make a red book on the land. above land for mother and daughter to live stably.</p>	
14.	<p>Another community member is a single mother raising a disabled daughter (who is blind, both hands and feet have no fingers and nerves). She used to own land plot number XX, sheet number XX extracted from cadastral measurements of land area No- XX scale 1/500 of Ngoc Hiep Ward, established on September 27, 2016 by the Technical Center for Natural Resources and Environment. and certified by the Department of Natural Resources and Environment on November 21, 2016, corresponding to a part of land plot number XX, cadastral map sheet number Ngoc Hiep ward, Nha Trang city, Khanh Hoa province. She was forced to recover the above 145m2 land, although she wrote a petition and presented the situation and asked to be considered for support, she was still coerced and compensated for more than 90 million VND. Although they disagree. They still have to receive money to support their children, and borrow money to continue living. She is currently staying with her biological mother's house to live and raise [her] children. Apart from the land property that was coerced, her son and herself have no other assets. She write here with her honest feelings. She still hopes that the Project team will consider and support her so that her mother and she can have a less difficult and miserable life in the future.</p>	<p><i>This community member's land is in the 2.5 ha portion that was acquired in 2021. The Bank's due diligence review found that this is a vulnerable household, which is entitled to an additional allowance payment as per the provisions of the RAP. The payment was authorized and the household was invited to collect it. However, the household refused to accept the payment, and demanded a resettlement plot in lieu, to which, however, it is not entitled under the RAP. Since the household did not collect the payment, it will be deposited into an escrow account.</i></p> <p>This household's land was acquired as part of the 2.5 ha portion, for which compensation has been paid, but which is no longer needed for the purposes of the Project. In accordance with the RAP, this household was not entitled to receive land-for-land compensation and only cash compensation, because the affected land is agricultural, without a house, and the household has been living in another location.</p>

No.	Claim	Response
15.	There are many other community members who are suffering similar situations.	<p><i>No land acquisition or resettlement activities for the Project have taken place on the 5 ha. This land is no longer needed for the purposes of the Project.</i></p> <p>Management would be pleased to respond to concerns from affected households or their authorized representatives to provide clarifications. <i>The Request for Inspection, however, does not indicate that the Requesters are mandated to represent the households that vacated the 6 ha and 2.5 ha portions of the site in 2018/2021.</i></p>
16.	<p>On 11 of May, the World Bank informed us that they are working with the Project Management Unit and Khanh Hoa Provincial People’s Committee to issue a final decision to cancel the acquisition of land in the area of 5 hectares in Ngoc Hiep Resettlement area, This decision will be issued by June 30, 2023. It will remove existing project-related restrictions on our property and we will have the authority to build or repair house according to local regulations. We are very pleased to receive this information, we trust the follow up of the World Bank so we wait patiently until June 30, 2023. On June 30, the World Bank again announced that “The World Bank has followed up with the local authorities to no longer acquire 5 hectares for the purposes of the Project. The deadline has been agreed between the provincial government and the Bank is June 30, 2023...However, there are some delays in administrative procedures..., the Bank will continue to monitor this agreement and its representatives. The bank’s senior staff will come to Nha Trang to meet with the provincial leaders to agree not to delay any further.” But we found on June 27, Khanh Hoa Provincial People’s Committee issued an official document No. 6312/UBND-XDND on adjusting the infrastructure construction project of Ngoc Hiep resettlement area in the direction of diverging the project into 02 phase (phase 1 makes investment on the recovered land, implementation time is 2016 in 2024; phase 2 makes investment on unrecovered land, implementation time is after 2024). There was a conflict between the update by the World Bank on June 30 and the decision No. 6312/UBND-XDND</p>	<p><i>The government issued several decisions to discontinue the acquisition of the 5 ha portion, although this was done later than the Bank expected. The Bank has no authority over the future use of the 5 ha.</i></p> <p>The Viet Nam Country Director and the Bank’s Sustainable Development Director for East Asia Pacific traveled to Nha Trang on July 12, 2023 to meet the Khanh Hoa PPC Secretary and PPC Chairman regarding the decision about the 5 ha portion.</p> <p>The provincial and city governments issued several formal decisions to discontinue the land acquisition for the 5 ha portion. The first formal decision was issued by the Khanh Hoa PPC on July 18, 2023. This was after the Bank’s communication with the Requester on June 30, 2023 alerting the Requester that the agreed deadline of June 30, 2023 would not be met. This first formal notification of changes to the Ngoc Hiep resettlement site was preceded by a series of internal government procedures to which the Bank is not privy, including the June 27 official document to which the Request refers.</p> <p>The Bank took several steps to urge government authorities to issue the decisions in a timely and transparent manner.</p>

No.	Claim	Response
	dated June 27 of the People’s Committee of Khanh Hoa province.	
17.	We think Khanh Hoa managers will force us to hand over our land to project after CCSEP finish. We would request the inspection panel to investigate our complaint.	<p><i>The Bank has no authority over government plans or decisions on potential future use of the land in the 5 ha portion of Ngoc Hiep resettlement site not being used for the Project.</i></p> <p><i>Management notes, however, that the Requesters remain on land that has been identified by the government’s Master Plan to serve as a resettlement area.</i></p>
18.	<p><i>Previous Contact.</i> We sent complaint to World Bank in December 2022. We wrote to Inspection Panel at the same time. Inspection Panel did not register as Bank did not have opportunity to respond. Bank excluded our land from the project and promised that our land will not be used by the project.</p> <p>On 17 Feb 2023The PMU informed that the remaining five hectares would not be acquired for the project. Our land will no longer be handed over to the project but we have not received the Decision to cancel land acquisition for 5 hectares.</p> <p>At the meeting with the PMU on 23 Feb 2023, They informed us the same information. We told them our concerns and we need Khanh Hoa people’s provincial committee to confirm and issue the Decision so that We can request for a resident land license then we can repair or build the house on land. We still have not received their reply.</p>	<p><i>The government issued several decisions and notices to the households in the 5 ha portion discontinuing the land acquisition process. Management recognizes, however, that these steps took longer than the Bank originally expected, and the relevant consultations organized by the government to inform the households in the 5 ha portion about this development could have provided more accurate and detailed information. The Bank is continuing to follow up with the government on the importance of continuously informing the community in a timely manner.</i></p> <p>Certain notices and consultations overlapped with the submission of the Request and hence the Requesters may not have been aware of the formal decision that the 5 ha portion was no longer needed for the Project. The government’s process entailed various administrative procedures at multiple levels (provincial and city).</p> <p>That said, the September 15, 2023 meeting, chaired by the Nha Trang CPC, was organized to directly inform the households in the 5 ha portion of the abovementioned decisions and notifications. More than 100 households attended and the minutes of the meeting, which were shared with the Bank, show that those who participated had the opportunity to raise questions.</p>
19.	<p>On 20 March 2023, We sent the second complaint to the World bank project team, Khanh Hoa people’s province, Nha Trang people’s province and PMU.</p> <p>On 24 March 2023, We had a meeting with them. At the meeting, We asked them if our land was acquired, please issue the Decision and allow us to repair or build a house because our house has been degraded for the last 7 years. But The managers</p>	<p>Management notes that the key issue articulated by the Requesters relates to their inability to: (i) obtain a LURC for residential land; and (ii) construct /repair houses, which they explicitly associate with the development of the Ngoc Hiep resettlement site.</p> <p>As noted in Item 11 above, Management acknowledges the restrictions that are currently applicable to land use in the area of the Ngoc Hiep resettlement site. The assessment of how the Requesters could use the land in</p>

No.	Claim	Response
	<p>said that in a short time our land will not be acquired. PMU has to submit the solution to Khanh Hoa chairman before 30 June 2023 so that he can decide whether or not to acquire our land. And he said that during this time, We are not allowed to repair or build the house because that area is agricultural land.</p> <p>In fact, The land was agricultural land based on the original land before 1994. After 1994, the owner divided many small lots (100-200m2) and sold them to us to build a house. It is not suitable for producing agricultural products. We have houses on it before the cut off date and we need to repair or build a house to live in. If we are not affected by the Ngoc Hiep resettlement project, we can submit for a resident land according to Vietnam land law.</p>	<p>the event that the government decided to cancel the development of the Ngoc Hiep resettlement site is largely hypothetical and would depend on multiple factors, including on how the government may revise the relevant master plans, as well as the LURCs that individual households have. All such parameters remain outside the scope of the Project.</p>
20.	<p>On March 25, 2023, we wrote two additional community member complaint to GRS (Case Number FY23- GRS-1743, Vietnam CCSEP Project (P156143))</p> <p>On July 1, 2023, we wrote a concern to GRS (Case Number FY23-GRS-1743, Vietnam CCSEP Project (P156143)) about the decision No. 6312/UBND-XDND dated June 27 of the People’s Committee of Khanh Hoa province.</p> <p>On August 15, 2023, we sent the third complaint of community to GRS, The World Bank project team, Khanh Hoa Chairman, Nha Trang committee and PMU.</p> <p>We are concerned that our land will be acquired, maybe be forced to hand over to the project in the future. Because in the past, there were some cases of force to hand over their empty land to the project that I mentioned before.</p> <p>We need the Decision of Khanh Hoa people’s provincial committee to cancel the land acquisition according to the issue on 17 Feb 2023 and informed on 24 Feb 2023 by PMU. We need The World Bank has respond if our land will be acquired for any reason before or after CCSEP finish.</p>	<p><i>The government issued the decision to discontinue land acquisition of the 5 ha portion of the Ngoc Hiep resettlement site (see Item 18 and Annex 2 for details). In addition, the government informed the households in the 5 ha portion of this change and is continuing to consult with them on it. The Bank has no authority over government plans or decisions on potential future use of the land.</i></p> <p>The draft compensation packages (which were never paid out) for the households in the 5 ha portion were formally revoked in Decisions of the Nha Trang CPC issued on August 28 and 30, 2023. The households were informed of this through a number of public disclosure and consultation activities (see Item 8 above and Annex 2).</p>

ANNEX 2. TIMELINE

Date	Ngoc Hiep Resettlement Site	CCSEP / Project
October 21, 2005	Khanh Hoa PPC approved detailed Master Plan for Ngoc Hiep residential area (35 ha).	
March 13, 2016		Approval of the Project Concept Note
May 5, 2016	Khanh Hoa PPC approved the updated detailed Master Plan of Ngoc Hiep residential area.	
August 5, 2016	Khanh Hoa PPC approved the development of Ngoc Hiep resettlement site on 13.5 ha (revised size of site from 14.4 to 13.5 ha).	
September 1, 2016	Nha Trang CPC issued Notice 756/TB-UBND on land acquisition for the Ngoc Hiep resettlement site with 13.5 ha of land to be acquired during 2016-2018.	
November 15, 2016		Decision meeting authorizing Project appraisal
December 2016		Bank cleared Project ESIA for Project works in Nha Trang City.
December 2016		Bank cleared Project RAP for the works of Components 1 and 2 in Nha Trang City.
January 10, 2017		Khanh Hoa PPC issued Decision 85/QD-UBND approving the Project RAP
January 13, 2017		Khanh Hoa PPC issued Decision 132/QD-UBND approving guidance on processing land acquisition and compensation at Ngoc Hiep resettlement site for implementation of Project.
May 5, 2017		Project Approval
July 6, 2017	Provincial authorities reported that the inventory survey (DMS) at Ngoc Hiep resettlement site was substantially completed, compensation packages for 185 households were approved, and the contractor to build infrastructure at the Ngoc Hiep resettlement site was mobilized to the site.	
January 18, 2018		Project effectiveness
August 30, 2018	Inventory survey of the Ngoc Hiep resettlement site was completed, and 6 ha out of 13.5 ha of the Ngoc Hiep resettlement	

Date	Ngoc Hiep Resettlement Site	CCSEP / Project
	site were acquired and handed over to the contractor.	
August 6, 2020	Nha Trang CPC issued Notice 1132/TB-UB amending Notice 756/TB-UBND, Notice 306/TB-UBND and Notice 100/TB-UBND to extend the duration of land acquisition from 2016-2019 to 2016-2021.	
November 26, 2020	No progress on land acquisition for the Ngoc Hiep resettlement site, due to (i) lack of updated land prices for compensation packages; and (ii) impacts of restrictions imposed by Covid-19 pandemic.	
May 26, 2021	Little progress relating to land acquisition for the Ngoc Hiep resettlement site: 168 out of estimated 424 affected households were not yet compensated. Lingering pandemic restrictions caused processing slowdowns for land acquisition activities.	
January 26, 2022	Nha Trang CPC issued Notice 113/TB-UBND amending previous notices to extend the duration of land acquisition from 2016-2021 to 2016-2022.	
December 30, 2022		Project restructuring (i) canceled some of the investments planned under Component 2 of the Project, (ii) extended the Project closing date; and (iii) amended the financing arrangements. This led to a smaller Project footprint and reduced the need for an additional resettlement plot, beyond the 6 ha portion already allocated.
January 12, 2023	Nha Trang CPC issued Notice 31/TB-UBND amending previous notices to extend the duration of land acquisition from 2016-2022 to 2016-2023.	
February 10, 2023	Chairman of Khanh Hoa PPC confirmed that the 6 ha portion of the Ngoc Hiep resettlement site can accommodate the resettlement needs of the Project after restructuring, and that the province decided to stop land acquisition of the unacquired 5 ha portion and suspend construction activities on the 2.5 ha portion as they were no longer needed for the Project.	
February 17, 2023	Provincial authorities issued a notice to the previously affected households in the 5 ha portion of the Ngoc Hiep resettlement site informing them about the decision to stop land acquisition of the area and that an	

Date	Ngoc Hiep Resettlement Site	CCSEP / Project
	official decision would be issued soon by the Khanh Hoa PPC and Nha Trang CPC.	
February 23, 2023	Nha Trang CPC and provincial authorities met with most of the households in the 5 ha portion of the Ngoc Hiep resettlement site to inform them about the decisions.	
March 23, 2023	Chairman of Khanh Hoa PPC met most of the households in the 5 ha portion of the Ngoc Hiep resettlement site to inform them about the decisions.	
July 12, 2023		Bank Country Director and Sustainable Development Regional Director traveled to Nha Trang and met provincial authorities to seek formalization of the decision that had been agreed with the Bank in February.
July 18, 2023	Khanh Hoa PPC approved the revised activities for Ngoc Hiep resettlement site, which postponed construction activities outside of the 6 ha required for the Project.	
July 28, 2023	Nha Trang CPC issued Notice 1205/TB-UBND amending the previous land acquisition notices to adjust the timeline of land acquisition for the Ngoc Hiep resettlement site, with 6 ha acquired during 2016-2024.	
August 28, 2023	Nha Trang CPC issued decision revoking all land acquisition decisions and decision on compensation packages offered to 28 affected households in the 5 ha portion.	
August 29, 2023	The provincial authorities sent the notice to the 28 households by post.	
August 30, 2023	Nha Trang CPC issued Notice 1333/TB-UBND amending the previous land acquisition notices, with 8.5 ha acquired during 2018-2024 (6 ha used and 2.5 ha already acquired but not used for the Project).	
August 30, 2023	Nha Trang CPC issued Notice 1334/TB-UBND-TNMT to announce its decision revoking all land acquisition and compensation decisions as well as draft compensation packages under consultation that were prepared for the affected households in the 5 ha portion.	
August 30, 2023	The provincial authorities disclosed the decisions of Nha Trang CPC at its office and on its website.	

Date	Ngoc Hiep Resettlement Site	CCSEP / Project
September 1, 2023		The Bank cleared the revised RAP for the CCSEP - Nha Trang City Sub-project.
September 6, 2023	The provincial authorities organized public disclosure of the decisions of Nha Trang CPC at Ngoc Hiep Ward People's Committee's office, and at the offices of residential groups No.4, No.5, No.6 in Ngoc Hoi, and residential groups No.7, No.8, No.9 in Lu Cam (the residential areas in Ngoc Hiep).	
September 8, 2023	The decisions of Nha Trang CPC were announced in Khanh Hoa province's online newspaper.	
September 9, 2023	The central government's newspaper (Lao Dong newspaper) posted the news.	
September 15, 2023	The provincial authorities and the local authority held a consultation meeting chaired by the Nha Trang CPC Chairman with the participation from 102 households of the 5 ha portion of Ngoc Hiep resettlement site.	

